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Proposed programme budget for the biennium 2010-2011

Administrative and financial implications arising from the report of the United Nations Joint Staff Pension Board

Report of the Secretary-General

Summary

The report of the United Nations Joint Staff Pension Board to the General Assembly (A/64/291) contains the overall administrative expenses of the United Nations Joint Staff Pension Fund for the biennium 2010-2011 that have financial implications for the regular budget of the United Nations. In accordance with rule 153 of the rules of procedure of the General Assembly, the present report identifies financial implications for the regular budget should the Assembly adopt the recommendations submitted to it in the report of the Board.

The additional appropriation that would be required under the regular budget for the biennium 2010-2011, arising from the recommendations of the Board, is estimated at $1,865,500 after recosting.

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I. Introduction

1. In the proposed programme budget for the biennium 2010-2011, provisions are made under section 1, Overall policymaking, direction and coordination (A/64/6 (Sect. 1)), for the participation of the United Nations in the costs of the secretariat of the United Nations Joint Staff Pension Fund.

2. In paragraph 1.31 of the proposed programme budget for the biennium 2010-2011,[1] it has been indicated that at the time of the preparation of the programme budget proposals, the Fund's budget for the biennium 2010-2011 had not yet been finalized and, when finalized, it would still be subject to review by the Pension Board and the General Assembly; and that implications for the regular budget, if any, of action to be taken by the Pension Board and the decision by the Assembly in connection with the 2010-2011 budget proposals of the Fund would be the subject of a statement of programme budget implications that would be submitted to the Assembly during its consideration of the report of the Pension Board.

3. In paragraph 1.28 of the proposed programme budget for the biennium 2010-2011,[1] it is indicated that the estimated requirements of $11,751,800 ($12,322,500 at the 2010-2011 rates) relate to the regular budget share of the cost of the central secretariat of the Fund, excluding reimbursements anticipated from United Nations funds and programmes (United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA) and United Nations Children's Fund (UNICEF)).

II. Implications for the United Nations of the report of the United Nations Joint Staff Pension Board

4. The report of the United Nations Joint Staff Pension Board (A/64/291) was issued in response to the proposals by the Chief Executive Officer of the Fund/Secretary of the Board. Based on the report of the Board, the overall requirements amounting to $22,238,300 (at 2010-2011 rates) represent the United Nations share in the administrative and audit costs related to the Fund.

5. The additional requirements arise mainly from staffing changes in the proposed budget of the Fund. In addition, there are increased requirements for other staff costs, computer-related maintenance, and rental of premises and other operational costs related to the proposed establishment of new posts.

6. Changes to the staffing component of the Fund secretariat include the proposed establishment of 14 new posts in the biennium 2010-2011. The additional requirements under posts include the provision related to the aforementioned 14 new posts ($1,970,700), as well as the delayed impact of 15 new posts established in the biennium 2008-2009 ($1,468,100). Furthermore, the full costing of the proposed 14 new posts in the biennium 2012-2013 is currently estimated at $3,337,900.

7. The higher requirements under other staff costs relate to the provision for After-Service Health Insurance (ASHI) for retirees, and increased requirements under overtime and training. With respect to increased requirements under computer-related maintenance, this is attributable to the continued maintenance of

[1] A/64/6 (Sect. 1).

the information technology and business projects implemented during the biennium 2008-2009.

8. In accordance with established procedures, this overall amount would be shared among the regular budget of the United Nations and the funds and programmes. As reflected in paragraph 1.28 of the proposed programme budget for the biennium 2010-2011,[1] the distribution would require that an estimated 63.1 per cent of that amount would be attributable to the regular budget, with the balance to be reimbursed by the funds and programmes. However, based on the latest data on the number of participants in the Fund, against which the percentage is derived, the above percentage would need to be revised to 63.8 per cent.

9. In applying the revised distribution rate of 63.8 per cent to the proposed overall requirements of $22,238,300, an amount of $14,188,000 (at 2010-2011 rates) would represent the revised regular budget share as compared to $12,322,500 (at 2010-2011 rates) already included under section 1 of the proposed programme budget. In this connection, an additional requirement in the amount of $1,865,500, reflecting the difference between the previously budgeted amount of the regular budget share and the revised requirements, would need to be included under section 1 of the proposed programme budget for the biennium 2010-2011.

III. Action required of the General Assembly

10. **Should the General Assembly approve the proposals and recommendations of the United Nations Joint Staff Pension Board, the overall requirements that would arise for the United Nations are estimated at $22,238,300 (at 2010-2011 rates). Of the total requirements for the biennium 2010-2011, the cost to the regular budget would amount to $14,188,000 and the balance of $8,050,300 would be reimbursed to the United Nations by UNDP, UNFPA and UNICEF.**

11. **Accordingly, should the General Assembly endorse the proposals of the Board, an additional appropriation of $1,865,500 would be required under section 1, Overall policymaking, direction and coordination, of the proposed programme budget for the biennium 2010-2011. The provision would represent a charge against the contingency fund.**